GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:424
ANSWERED ON:19.12.2002
CAPACITY UTILISATION OF REFINERIES IN NORTH EAST
PABAN SINGH GHATOWAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether all the refineries in North-East have been running below their installed capacity;

(b) if so, whether the Government have a proposal to increase exploration of North East Oil fields so that the refineries may run to their full capacity for their survival and economic viability; and

(c) if not, the reasons therefor and the steps Government propose to take for full utilisation of the installed capacity of these refineries?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO.424 BY PABAN SINGH GHATOWAR TO BE ANSWERED ON 19th DECEMBER 2002 REGARDING CAPACITY UTILISATIC REFINERIES IN NORTH EAST.

(a) : Yes, Sir.

(b) & (c): In the post administered pricing regime, viability of North East refineries has been adversely affected on account of their sub-economic size, non-availability of crude oil for full capacity utilization and low demand of products in the region.

The following measures have been taken to expeditiously explore oil and gas and increase oil and gas production in the North East region:-

(i) To accelerate exploration through New Exploration Licensing Policy (NELP), which provides attractive fiscal package and contract terms to the investors.

(ii) To undertake Enhanced Oil Recovery (EOR) and Improved Oil Recovery (IOR) projects to increase recovery factor and arrest decline of crude oil production from the producing fields.

(iii) To increase workover operations to improve production.

(iv) To improve Reservoir Management to optimize production from existing fields.

(v) To address environmental and other operational issues to increase exploration and production efforts.

To improve the viability of North East refineries, the Government have given 50% excise duty concession on the production of these refineries. Further, sourcing of low sulphur crude oil from outside the region for processing in these refineries is under consideration.